

# **EXHIBIT H**

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June 29, 2016

Ms. Melba Acosta-Febo  
President  
Government Development Bank for Puerto Rico  
Roberto Sánchez Vilella (Minillas) Government Center  
De Diego Ave. Stop 22  
San Juan, PR 00907

Via Federal Express and hand delivery

Dear Ms. Acosta-Febo:

We represent National Public Finance Guarantee Corporation (as successor in interest to MBIA Insurance Corporation, “National”), an insurer of certain bond payments to be made by the Puerto Rico Highways and Transportation Authority (the “PRHTA”), including the PRHTA 1998 Subordinated Bonds. We write regarding Government Development Bank for Puerto Rico’s (“GDB”) position that it will not release State Infrastructure Bank (“SIB”) funds (the “SIB Funds”) to Bank of New York Mellon, as Fiscal Agent (“BNY”), to cover the July 1, 2016 payments due on the PRHTA 1998 Subordinated Bonds.

GDB’s position that “the funds held by GDB, as SIB Trustee, pursuant to the Agreement, constitute deposits held by GDB ... subject to the provisions of the Moratorium Act and Executive Orders OE-2016 and OE-2016-14,” is not tenable or supported by applicable law. While National has already filed suit challenging the Moratorium Act’s constitutionality, even if the Moratorium Act were somehow deemed constitutional, the SIB Funds are not subject to the Executive Order as they do not constitute ordinary GDB deposits. GDB admittedly holds the funds as “SIB Trustee” and the operative documents expressly state that the SIB Funds “shall be held in the custody of GDB in trust, *separate and apart* from all other funds of ... GDB.”<sup>1</sup> Accordingly, the SIB Funds are not “deposits” subject to the restrictions and suspensions imposed by the Moratorium Act and Executive Orders OE-2016 and OE-2016-14. The requested SIB Funds should therefore be released immediately to BNY for the 1998 Subordinated Bonds debt service payment due on July 1, 2016.

We expect GDB, in its capacity as SIB Trustee, to act consistently with its fiduciary and contractual obligations established in the SIB Agreement and by otherwise applicable law. To the extent

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<sup>1</sup> Puerto Rico Infrastructure Bank Agreement, dated June 12, 1998, by and among the Department of Transportation and Public Works, PRHTA, and GDB, as trustee for the SIB Fund (the “SIB Agreement”), § 101 (emphasis added).

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GDB refuses to release the requested SIB Funds, National expressly reserves all of its rights and remedies at law and in equity.

Sincerely,

A handwritten signature in dark ink, appearing to read "S.A. Romanello", written in a cursive style.

Salvatore A. Romanello

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